

In this month's issue:

Director's point of view from John Leen
A word from NZPM CEO Rob Kidd
Future Governance article from Scot Pearce
Obituary for Ash Gardiner
pwGO integration update

Connector

News and views from the co-operative.



Chair's update

A very happy New Year to all of our NZPM Co-operative members, and I trust that everyone enjoyed a relaxing summer break with family and friends. We are indeed fortunate here in New Zealand to be able to work, travel and holiday locally with such freedom, as the news around the world every day still paints a grim picture of the struggles many countries are facing.

That continued social and business liberty has undoubtedly been a blessing for our economy, and while some sectors such as tourism and hospitality continue to battle, the same can't be said for the areas of housing and construction. NZPM Group completed a very strong December quarter of revenue and earnings, and — in anticipation of vaccine availability and barring any lockdowns — we expect that trend to continue through the remainder of the financial year and 2021. Beyond that is still a bit hazy, with MBIE predicting a downturn in both the residential and commercial construction sectors in 2022, so we'll continue to keep a weather eye on the future.

In the meantime, one of the most pressing issues facing the New Zealand construction industry is disruption across a number of supply chains, and our CEO, Rob Kidd, talks about some of the shipping challenges we're facing in his article later in this edition of Connector. There are no clear indications that this problem will resolve itself quickly, so now is the time for our members and customers to carefully plan their forward commitments and material requirements over the forthcoming period.

In considering also what opportunities and challenges the future might hold, the board and management have been working on building sustainability in the co-operative, and that will remain a significant focus for us during the current year. To support this work the board actively develop a number of goals each year to ensure that we're delivering continuous improvement to the co-operative. So, in addition to our strategic business objectives, this year will see additional work to update and modernise our constitution, build our social and environmental awareness, and further develop our people and culture strategies.

As Chair, I'm grateful for the support provided by all our board members who are working positively as a team to foster the growth and development of the co-operative, and with each Director leading a separate board committee, that workload is well-shared. Each of our board committees meet regularly, and with the increased pace of regulatory and social changes that typically accompany a second-term government, I expect we're in for a very busy year.

Finally, later in this edition are articles from Elected Director John Leen, and from our 2020 Future Governance Programme appointee Scot Pearce. We hope that Scot's experiences will encourage more of our members to put their name forward when we open our 2021 Future Governance Programme applications in the next few months.

Kind regards,
John DeBernardo
NZPM Chair



A word from Rob Kidd, CEO

A very happy New Year to all our shareholders.

I like the agricultural term of “make hay while the sun shines” and certainly in our industry we have that opportunity right now, and I trust you are able to capitalise on it.

NZPM Co-operative is focussed on building a sustainable co-operative business. We have made substantial progress against our strategic plans and initiatives over the past three years which is delivering strong and resilient performance and helping to ensure that the co-operative’s future is as bright as its past.

Over the past six months, we have been focussed on minimising the disturbance in our supply chain as a result of container shortages and shipping delays around the world. We are working with all our suppliers to try and minimise any disruption, however, there are likely to be more short-term

delays over the coming months. This is very much a New Zealand Inc. and global problem and while it's affecting other sectors in NZ more than plumbing, we unfortunately are not immune from it.

One of the key strategic reasons for acquiring an equity share in Aquasource during 2020 is security of the supply chain and this has certainly helped in reducing some of the supply challenges we are facing. Aquasource has also been able to pick up three new customers in Australia and pleasingly the performance of Aquasource has enabled NZPM to receive its first dividend payment.

Our focus on own brand, exclusive and strategic products is also key to building a sustainable future and I encourage you to be purchasing LeVivi, TIVA, the Metrix range, Pipe King and Toto products. Purchasing these products gives you a special shareholder only quarterly Gold Rebate and, until the end of March 2021, we have the special 4% rebate on the Metrix range.

We are continuing to develop our technology platforms and offers — the pwGO App and pwGO Online digital ordering and business management tools are now being used by over 3,500 customers. We have had a number of customers testing our latest pwGO integrations with Xero and simPRO, enabling them to download their Plumbing World invoices directly into their system. Later in this issue you can read more about the simPRO integration and we will also keep you informed when our Xero integration is ready for wider release.

Thank you for your support of NZPM, Metrix and Plumbing World (the only 100% trade-owned plumbing merchant in NZ) and we look forward to continuing to work with you to ensure your co-operative continues to be strong and resilient through the months and years to come.

Regards,
Rob Kidd
NZPM Chief Executive Officer

Paying it forward - Salvation Army

It was extremely humbling for two of our Palmerston North Plumbing World team (Sarah Vining and Blair Funnell) to deliver over \$2K worth of food and gifts to the Salvation Army just before Xmas for families within the community in need. This collection was from kind donations from both Plumbing World staff and our customers. The team at the Salvation Army were completely blown away with our generosity.

Great to know as a co-operative we are making a small difference in our communities. A massive thank you to all our Shareholders in Palmerston North who helped make this happen. Plus we are aware of other branches around the country that did something similar in the lead up to Xmas, so thank you for your generosity.





Director's point of view

– John Leen

It was May 2020 when I last commented in the Connector, and here we are, one month completed already in 2021.

Like most businesses, our co-operative took a very close look at our costs and expected revenue over the COVID pandemic months. With the almost complete loss of sales for April 2020 and a further Level 3 alert in Auckland later in August, we were forecasting a significant drop in revenue over the 2021 financial year ending this March.

However, as at December 2020, we have clawed back a lot of this lost revenue and the overall group performance has been, and continues to be

impressive, considering the extraordinary times we have been through.

At a board level we are assessing risk levels every month, and over the “COVID period” this has been quite a task for our co-operative management team. As previously commented on, one of our major risks continuing to be reviewed is the ability to source products from offshore. You all would have heard about the shipping issues, regarding containers of product floating around oceans on ships, still trying to either get to NZ and/or sitting in ports somewhere waiting to be off-loaded and clear customs. Our management team are expecting delays for some products from suppliers, but we are continually massaging stock levels to try and mitigate these predicted delays.

Since our last AGM, I have been appointed Chair of the Compliance Committee, and am a member of the Health & Safety and Membership Committees. Compliance is hardly the most exciting of subjects, but it is important to ensure our group stays not only compliant in our operations, but also keeps up with any new policy that is required. To this end, we are currently working through a review of our compliance manual, checking all current policies are up to date, and investigating further policies that might be needed.

I hope you all managed a decent break over the Christmas period, and got to spend some quality time with family and friends. Mary-Ellen and I go to the “far north” every year, and this year she caught her first snapper ever! At 7.4kgs (16 pounder) and only the second bait in the water (yes, we Wellington people still use bait!) she suggested she may not have to go snapper fishing again — mores the pity!

Regards,
John Leen

Obituary - Ash Gardiner

It is with great sadness that we inform you of the recent passing of Ash Gardiner, a previous long serving staff member of NZPM who passed away on the 18th January 2021, aged 74.

Ash started his career with the NZPM Society in 1970 — when Plumbers Ltd in New Plymouth was purchased. Ash became Branch Manager in 1981, and joined the renowned group of Regional Managers commonly known as the “4 wise men”, in 1984. Ash served a total of 33 years for NZPM group, retiring in 2002.

Ash also gained international exposure becoming one of the great Taranaki rugby players to be named as an All Black in 1974. Ash played over 100 games for Taranaki and was a proud member of the Tukapa Rugby Club. He was a very loyal person, who was passionate about his family, rugby, fishing and the people he worked with. Our condolences go out to his family and friends.





Metrix update

– Karin Cunningham

Metrix are continuing the tradition of supplying high-end European product into some of the most discerning homes in NZ. Featured in December's Grand Designs NZ, this \$5m home designed by Michael O'Sullivan in Cass Bay, Canterbury, is completely clad in copper and uses Duravit product to continue the feel of quality in all elements of the home. The Duravit Starck 3 toilets and SensoWash® C suite used in the build were designed by Philippe Starck, a French industrial architect and designer.

The latest SensoWash® F by Philippe Starck is now on display at Metrix Parnell and is state of the art with all components optimised so that the technology is invisibly located within the ceramic body of the suite in an uncompromising, minimalistic look. As hygiene becomes more critical within both residential and commercial projects, this suite is the epitome of luxury, whilst providing the sanitary features many customers are looking for.

As we enter the last quarter of the financial year, Metrix is performing well with strong forward orders for multiple commercial and residential projects. The supply chain out of Europe continues to require good management so we encourage our Shareholders to liaise with the Metrix team early on in your projects to ensure we work with you to meet your timeframes.

In the next few weeks, we will launch our new Metrix website with easy navigation and search functionality which will make it easier for Shareholders, clients and specifiers to view Metrix product for their next project.

Remember our Go for Gold promotion where Shareholders get 4% rebate on all Metrix product is on until the end of March, 2021.

Our sales team are focused on visiting specifiers in your regions, as well as NZPM shareholders, and exploring how our business can assist yours. So if you have any projects you would like assistance with, please don't hesitate to contact a member of the Metrix team and we look forward to working with you — and as always, thank you for your continued support.

Regards,
Karin Cunningham
Metrix General Manager



The "Copper Curve" as seen on Grand Designs NZ



Philippe Starck and the SensoWash® F

The Momentum behind the machine - Scot Pearce



"The more that you read, the more things you will know. The more that you learn, the more places you'll go." – Dr Seuss.

This is completely true when it comes to being on a governance board. There is a lot of reading, processing and brain matter required to understand what goes on behind the scenes of the machine that is the NZPM Group.

Prior to my successful selection as this year's Future Governance candidate, I had no real idea of what went on behind the face of the machine. However, during my time to date, with meetings both in person and over Zoom (a new norm, thanks to COVID), there have been plenty of opportunities

from which to learn, absorb and participate. Armed with a few Institute of Directors 'Governance Essentials' courses, and my personal policy of lifelong learning and practical experience on a number of committees, I feel I have been able to add a certain amount of input which has been heard and taken into consideration.

A big thanks to the directors for welcoming me with open arms and making me feel like part of the team. This past financial year has been a massive challenge with lockdowns, shipping issues, materials forecasting, personal wellbeing etc, and the board members and management team have had to make some big calls which may appear jarring in the 'right now', but are necessary for the future, and in the best interest of all stakeholders.

Within the organisation, policies and procedures are in constant review, and ever-evolving challenges of health and safety rise to the forefront. People are our biggest assets, so keeping the team safe, both physically and mentally is a high priority. This plus a multitude of regular checks and measures take a massive amount of time and effort from the board, senior management, and the team at the coal face, keeping the NZPM Group steaming forward with a ton of forward momentum that positions them ahead as the true market leader.

Regards,

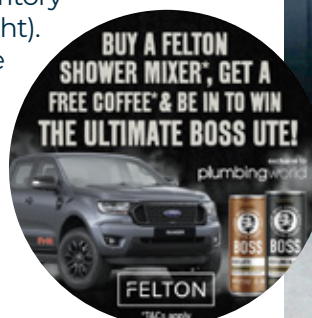
Scot Pearce
2020 Future Governance Candidate

'Be the Boss' Felton Promotion - Winner

Cam Devine from Devine Plumbing Napier is the new 'Ultimate Boss' after he won a brand new 4WD Ford Ranger FX4 from the Plumbing World/Felton promotion late last year.

Presented by Felton NZ Sales Manager Brett Hill (left) and Felton Territory Manager Willie Docherty (right).

Congratulations from all the team at Plumbing World and Felton — we hope you're enjoying your brand new ride!



FELTON



WE'RE PROUD TO SUPPORT & BE AN OFFICIAL SUPPLIER TO

EMIRATES TEAM NEW ZEALAND
FOR THE 36TH AMERICA'S CUP

Visit your local branch and see how you can
**win official Emirates Team New Zealand
merchandise** during the month of Feb.

plumbingworld



New Year Honours - Colleen Upton

Congratulations to Colleen Upton of Hutt Gas and Plumbing for her New Year Honours award. Colleen was appointed an Officer of the New Zealand order of Merit (ONZM) for her services to the plumbing and gasfitting industry and women in plumbing.

Just 154 Kiwis were recognised for serving their community or for another significant achievement — well done Colleen, what an amazing achievement.

If you'd like to see the full list of awards, click the link below:

<https://bit.ly/3p1PBU3>



pwGO integrations - simPRO

pwGO is here to make doing business with us even easier — and with our new simPRO integration, things couldn't be simpler.

Here's how:

- Invoices and price books are now automated.
- No more manual entries.
- Invoice data syncs every hour to simPRO, between 8am – 8pm.
- All you need is your simPRO & pwGO details to get started.

The simPRO integration is now LIVE!

simPRO integration is designed and only available for principal and admin roles.

For more information, visit pwgo.co.nz/simpro



pwGO
plumbingworld

+ simPRO

Have your say

One of the Rochdale Principles that underpin all Co-operatives is 'Democratic member control', i.e. members actively participate in setting policies and making decisions.

Your NZPM Board have created a small set of questions they would like your feedback on to help guide them in their decision making. This Shareholder Survey will be going out via email on 22nd February, and we would love to receive your feedback.

The Survey will take you about 5 minutes to complete, and all participants **go in the draw to win 500 MaxPoints**. Please be assured that your individual responses are confidential and will be collated by The Industry Group — the independent research consultancy conducting this survey.



Master Plumbers®
Representing Excellence

plumbingworld
MAXPOINTS

Pay for your Training Courses
using your MaxPoints! Simply
visit: maxpoints.co.nz

NZPM is pleased to offer all our Shareholders a **20% subsidy** on Master Plumber Training Courses.

Now is the time to upskill and to continue your professional development — and we want to support you by making these courses more affordable to you.

Simply visit www.masterplumbers.org.nz/training/ to see what courses are available and what is coming up. These training courses will continue to be updated throughout the year.

To receive NZPM's 20% subsidy on your selected training course, enter the discount code **NZPM20** at registration/checkout.

Exclusive offer to NZPM Shareholders!

Shareholder loyalty

We love celebrating your loyalty to our co-operative and it's great to see shareholders being acknowledged. Congratulations to everyone who has recently received their loyalty awards.



Anthony Cuff Plumbing Ltd



Jamieson Plumbing Ltd



Thompson Drainage Contractors



Piped Plumbing Ltd



Gas Appliance Specialists Ltd



Mr R Marshall



Ray McQuoid Contractors Ltd



Quix Auckland Ltd



NZPM's Mission

To contribute to our members' business success by representing their interests and delivering performance excellence.

Part of our NZPM Co-operative
plumbingworld | ©metrix